



JON M. HUNTSMAN, JR.  
Governor  
GARY R. HERBERT  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director  
JOHN R. BAZA  
Division Director

m10451027

UTAH DIVISION OF OIL, GAS AND MINING  
FACSIMILE COVER SHEET

DATE: Sept 2 2005

FAX#: 1-801-768-2684

ATTN: Kim

COMPANY: Warthen Williams

NUMBER OF PAGES (INCLUDING THIS ONE): 4

FROM: Joelle

If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340.  
We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES: Kim - This is the Nov 2002 letter  
we have not received a response on.

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TRANSACTION REPORT

P. 01

SEP-02-2005 FRI 10:32 AM

FOR: OIL, GAS & MINING

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MESSAGES: 1





# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt  
Governor

Robert L. Morgan  
Executive Director

Lowell P. Braxton  
Division Director

November 14, 2002

## CERTIFIED RETURN RECEIPT

7099 3400 0016 8895 4746

Dennis Williams  
Worthen/Williams LLC.  
Utah Refractories Corporation  
2200 North 1100 West  
Lehi, Utah 84043

Re: Five-Year Review of Reclamation Surety Estimate, Worthen/Williams LLC, Roudabush #1 Mine, M/045/027, Tooele County, Utah

Dear Mr. Williams:

Thank you for providing the requested information regarding the five-year review status of your Roudabush #1 Mine, located in Tooele County, Utah. The last surety estimate for this mine was \$72,500 in 1999 dollars. After a review of the information furnished by Worthen/Williams LLC and a site visit to verify the site conditions, we find we only need to escalate the present bond for a five-year period. This is based upon the fact that there had been no changes at the site since the last bond calculation.

The surety for the Roudabush #1 Mine escalated to the year 2007 is \$97,800. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than January 13, 2003.

You may provide an amendment to the existing Letter of Credit, and no other paperwork will be necessary. However, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at [www.nr.utah.gov](http://www.nr.utah.gov). If you post another form of surety, we will require that you also replace the Reclamation Contract, which is also located on the web. Please fax a "draft" copy of the documents so we can review them for completeness and accuracy before they are finalized.

Page 2  
Robert Worthen  
M/045/027  
November 14, 2002

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in cursive script that reads "Doug Jensen".

for

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
Attachment: Surety estimate update  
cc: Doug Jensen, DOGM  
O:\M045-Tooele\M045027-Roudabush\Final\bondescal.doc



## SURETY ESTIMATE UPDATE

13-Nov-02

Worthen/Williams LLC

Roudabush Mine

FILE # M/045/027

Tooele County

Prepared by Utah Division of Oil, Gas &amp; Mining

Last Update 1999

**DESCRIPTION:**

-Previous reclamation surety estimate was \$72,500 in year 1999 dollars

-Reclamation Estimate base amount calculated in 1994-\$

**Reclamation Plan Details**

-Bench highwall; ASSUME: 20 ft wide bench every 25 ft, 600 lf, 3 benches total

-Rip all compacted areas to be revegetated

-Distribute fines over quarry floor; fines estimated at 7% annual production

-Restore channel &amp; riprap; ASSUME 500 lf, 6" of riprap

-Spread existing topsoil stockpiles (estimated volume = 300 cy)

-Revegetation = fertilizing, mulching &amp; seeding (previous estimate was \$468/acre)

-Fertilizer = diammonium Phosphate @ 200 lbs/acre

-Mulch = hay mulch @ 2 tons/acre

-Mobilization (third party reclamation)

-Disturbed area = Present quarry (2.3) + future quarry (18.9) + stockpile area (4.4) + staging area (2.2)  
staging area (2.2) + coarse stockpile (0.3) + access road (0.9)

-Escalation factors through 2002 are actual Means Historical Cost Indices

-Total disturbed area = 29 ACRES

| CALCULATIONS                            | YR   | ESCAL<br>FACTOR | BOND<br>AMOUNT |
|---|------|-----------------|----------------|
| $F = P(1 + i)^{**n}$                    | 1991 | 0.0127          | \$0.00         |
|   | 1992 | 0.0221          | \$0.00         |
|   | 1993 | 0.0261          | \$0.00         |
|   | 1994 | 0.0321          | \$67,547.00    |
|   | 1995 | 0.0193          | \$68,850.66    |
| F = Future Sum                          | 1996 | 0.0242          | \$70,516.84    |
| P = Present Sum                         | 1997 | 0.0236          | \$72,181.04    |
| i = Escalation Factor                   | 1998 | 0.0502          | \$75,804.53    |
| n = number of periods                   | 1999 | 0.0191          | \$77,252.40    |
|   | 2000 | 0.0244          | \$79,137.35    |
| Three Yr Average = 2.82%                | 2001 | 0.0460          | \$82,777.67    |
| Used to Project 5 Yrs                   | 2002 | 0.0282          | \$85,112.00    |
| From the Year 2002                      | 2003 | 0.0282          | \$87,512.16    |
|   | 2004 | 0.0282          | \$89,980.00    |
|   | 2005 | 0.0282          | \$92,517.44    |
|   | 2006 | 0.0282          | \$95,126.43    |
|   | 2007 | 0.0282          | \$97,809.00    |
| Updated Surety Amount Rounded (2007-\$) |      |                 | \$97,800.00    |

\*\* Average cost per acre = 3373 (\$/ACRE)